

Short-Term Outlook for Natural Gas

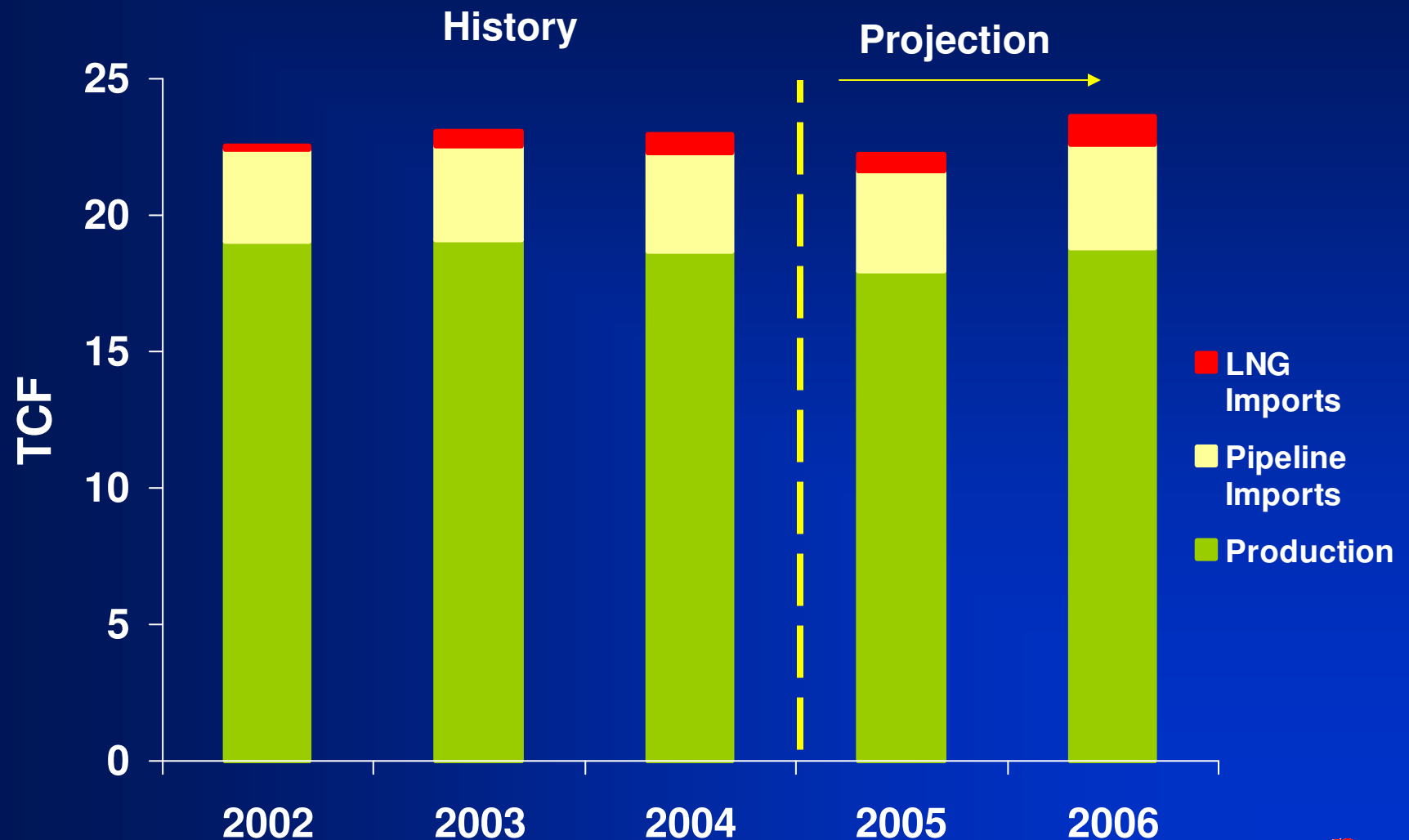
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EIA's SHORT-TERM OUTLOOK CALLS FOR CONTINUED MARKET TIGHTNESS

- **PRICE:** Continued high prices through 2006
 - Wellhead Prices: Average \$7.42 per mcf in 2005; \$8.42 in 2006
 - Henry Hub Spot Prices: Average \$8.88 per mcf in 2005 and \$9.30 in 2006
 - Consumer Prices: No relief through 2006
- **CONSUMPTION:** Flat in 2005, 1% increase in 2006
- **SUPPLY:** Tight through 2006
 - Domestic supply down 3.8 % in 2005 (mostly hurricane related), then increase 4.8% in 2006
 - End-2005 storage expected to be almost 9% lower than end-2004
 - LNG and Pipeline imports expected to increase in 2006

Domestic Production and Imports of Natural Gas Are Expected to Increase in 2006



Source: EIA, *Short Term Energy Outlook*, December 2005, and 2005 *Annual Energy Outlook*.



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